

Miscellaneous Plan Options

1

**REFORM OPTIONS
FOR THE
LONG BEACH
MISCELLANEOUS EMPLOYEES' PENSION PLAN**

Four Options

2

- Option 1
 - Shares *total* costs (current “normal” costs plus past unfunded costs) equally between the employee and employer
- Option 2
 - Shares *normal* costs (current cost for the year) equally between the employee and employer
- Option 3
 - Full employee pickup
- Option 4
 - A lower benefit structure (tier) for *new* employees of 1.5 percent per year with retirement at age 65 along with a 2 percent defined contribution (DC) plan

Savings

3

Reform Options	% City Savings 20 Years	\$ City Savings 20 Years (in millions)	Avg. City Yearly \$ Savings (in millions)		Typical Employer/ Employee Contribution Rate (FY22/23)
			All Funds	GF	
1: Equal sharing of <i>total</i> pension costs.	46.5%	\$822	\$41.1	\$13.1	15.4%/15.4%
2: Equal sharing of <i>normal</i> pension costs	25.6%	\$453	\$22.6	\$7.2	21.5%/9.4%
3: Full employee pickup	21.0%	\$371	\$18.5	\$5.9	22.9%/8%
4: New employees at 1.5% @ 65 & 2% Defined Contribution (DC) Plan	6.2%	\$110	\$5.5	\$1.8	28.9%/2% current employees/ 27.4%/4% new employees